Chapter 5: Financing Plan

Overview: Why a Financing Plan?

Planning ahead is good management. Capital facilities plans can help a jurisdiction use its limited funding wisely and most efficiently to maximize funding opportunities. By planning ahead to determine needs, cities and counties can prioritize projects, coordinate related projects, and be better positioned for funding opportunities.

The GMA requires that budgeting decisions be consistent with the comprehensive plan, which makes sense when working to implement the vision for how and where the community will grow over time. The GMA also requires that jurisdictions plan ahead for the next 20 years. In terms of the length of time it takes for some projects to become fully realized, this is not an unreasonable planning horizon for capital facilities. In addition to looking long-term at how your land use plan will be implemented through your capital facility plan, the GMA also requires that you develop a shorter-term capital improvement plan (CIP) for at least a six-year planning horizon. This shorter term horizon allows you to hone in on those projects that may realistically be completed (or initiated) within the next six years.

While the GMA requires that a six-year financing plan be adopted and realistic, it does not diminish the local government's responsibility to develop a financing plan that looks over the life of the plan.

The language in *WAC 365-916-415(2)(c) Financing Plan*, provides some guidance:

(i) The capital facilities element should include creation of at least a six-year capital facilities plan for financing capital facilities needed within that time frame. Counties and cities should forecast projected funding capacities based on revenues available under existing laws and ordinances, followed by the identification of sources of public or private funds for which there is reasonable assurance of availability. Where the services and capital facilities are provided by other entities, these other providers should provide financial information as well. If the funding strategy relies on new or previously untapped sources of revenue, the capital facilities element should include an estimate of new funding that will be supplied. Adoption of the development regulations or other actions to secure these funding sources should be included in the implementation strategy.

(ii) The six-year plan should be updated at least biennially so financial planning remains sufficiently ahead of the present for concurrency to be evaluated. Such an update of the capital facilities element may be integrated with the county's or city's annual budget process for capital facilities.

Many planners do not spend much of their time in the finance and budgeting aspects of capital facilities and public services. But is it a critical implementation tool for bringing the comprehensive plan to life. In "Capital Improvement Plans and Budgets," Vicki Elmer of the University of California at Berkeley's Department of City and Regional Planning, sums up why capital budgeting and finance should be important for planners:

> *"Capital budgeting and finance should be important for planners because of the impact these expenditures have on issues close to the heart of the profession: community and economic development, environmental planning and the urban form. In addition, the capital budget can be a more powerful tool than zoning to implement the comprehensive land use plan for the local jurisdiction. Many planners involved with permitting individual projects also may need to insure that off site capital facilities needed by the project will be available. Finally, the planner may be the lead staff person for the development of an individual capital facility, such as a new city hall, a low income housing project, or a downtown revitalization plan.*
>
> *Yet frequently the capital budgeting process is dominated by engineers or the finance department, with little involvement from the planners and the planning commission. In other instances, long term capital investments are planned and financed for the jurisdiction by special purpose districts or other agencies that are not part of the municipal or county government, such as those that are responsible for schools, airports, water, sewers and some transportation facilities. Capital investment decisions may be made based on technical assumptions that are inconsistent with community values and local land use plans. The local capital improvement plan and budget, however, are strategic tools that can be used to coordinate decision making within and between jurisdictions and to insure that capital investments promote community goals and objectives."*

Six-Year Capital Improvement Plan

The 6-year Capital Improvement Plan (CIP) is a significant component of the Financing Plan. It includes a list of projects, when they will begin, how much they will cost, and how they will be funded.

Commerce has a Capital Facilities Planning Tool designed to help jurisdictions analyze their capital facility needs and prepare the 6-year CIP. The basic steps are:

- Determine which revenues will pay for the capital facility needs. This is one of the hardest parts – but a critical feature - of developing your Capital Facilities Plan. Cities and counties are all struggling for revenue these days, especially the smallest jurisdictions.

- Plan for revenue as well as costs. A plan that identifies projects and then labels the funding source as "other" is a plan that will not likely be implemented. Similarly, it is

important to understand that not all projects will be funded with grants. Use of local funding such as utility fees and capital reserves is also necessary and should be considered before looking for alternative funding sources. Doing so will show potential funders that your community is dedicated enough to commit local resources to the project.

- Prioritize capital facility projects. Most jurisdictions find that they do not have enough money to cover all of the costs they've identified for capital facility needs. Before finalizing the Capital Facilities Plan, it is important to prioritize the projects and be sure that those deemed most important are the ones proposed for funding.

- Determine when capital facility projects will occur. The timing of capital projects is a complex mix of factors, including when the project is needed (and why), its priority relative to other projects, when funds are available, and the phasing needed to implement the project. The timing of every project must be considered relative to the jurisdiction's ability to fund it – and financing should be planned to accommodate natural phases of work. Engineering often occurs a year or so ahead of construction. Public involvement is needed throughout most capital projects.

Local governments have a fair amount of leeway for making decisions within the 6-year CIP. In the McVittie IV case, the Hearings Board concluded:

> "The choice of what is funded during a six-year financing plan cycle is a discretionary choice of the County….So long as the needs identified in the CFE are reflected in the capital improvement program, the scheduling of their implementation, including the delay of projects to later years, is a discretionary choice of the County. However, the County should be mindful that those needs identified in the 20-year Plan (CFE), ultimately must be addressed (funded and implemented) at some point during the original 20-year life of the Plan." [McVittie IV, 0306c, FDO, at 14-15]

Financing Plan Questions to Consider in Capital Facilities Element

There are several considerations in the development of a financing plan. Below are five questions and responses regarding long term financing of capital facilities:

1. ***Are revenue projections required for years 7-20?***

   To fulfill part (e) of RCW 36.70A.070(3), it is necessary to do at least the level of revenue projections necessary to demonstrate that "probable funding" does not fall short of meeting projected needs and that the CFP and land use element are consistent.[1] More detail on how to do this analysis is in WAC 365-196-415, especially (2)(d), (3), (4) and (5). This WAC should be read together with WAC 365-196-320. Revenue projections for

[1] "Probable funding" will almost always be less than the projected needs, which is the nature of budgeting. Resolving this dilemma is also the nature of budgeting and why a strong connection needs to exist between the comprehensive plan and the capital facilities plan.

years 7-20 should be included in the jurisdiction's assessment of its ability to provide capital facilities planned for within the planning horizon.

The level of detail and specificity will not be as accurate as is needed for the six-year capital facility plan but there does need to be demonstration that the jurisdiction is aware of the anticipated costs associated with the proposed plan and how they will be financed. Both the cost estimates and the estimates of anticipated resources will be generalizations which will enable an assessment of how realistic the plan is with regard to supporting planned levels of service and growth.

Years 7-20 of capital facilities plans can be more **area** specific (i.e. what larger infrastructure is needed for say new or expanded urban growth areas) and more general in overall costs and revenue sources using per capita, per acre, per mile, per square foot, or some other unit of metric that is based on local adopted levels of services and service costs in order to put a realist price tag on the **area**. These more general estimates can also lead to a strategy for planning to align future capital facility capacity and land uses. For example, new public facilities often result in encouraging development; and a new development can contribute to the provision for the new capital facilities.

2. ***Are expenditure projections required for years 7-20?***

Yes, it is necessary to project the needed facilities per part (b) and (c) of the statute above, and in order to fulfill part (e) it is also necessary to include projected expenditures for these needed facilities. These can be reasonable estimates, much along the lines of what is already done for water system plans, general sewer plans, and park and recreation plans required by other agencies.

Along with planning for the costs of capital facilities, growth will also result in changes to operating costs. A jurisdiction should have a good idea of needed operation and maintenance costs and the costs of any new improvements needed, as well as the general timing of needed improvements. This will allow the jurisdiction to plan for adequate funding sources, reassessment of rates, impact or mitigation fee rates, etc. It can also help the local government seek alternative funding sources, such as state or federal grants, as well as allow for time to coordinate improvements with any special purpose districts.

3. ***Must there be adequate projected revenues to meet projected expenses for years 7-20?***

The Growth Management Hearings Board (GMHB) has consistently read part RCW 36.70A.070(3)(e) to require that the estimates for revenues meet the estimated expenses for the 20-year planning period, or a reassessment of the land use plan would be required. As the UGA guidebook points out, this analysis and reassessment, if needed, should be done *before* a UGA is adopted or re-affirmed during the GMA periodic update, in order to support that UGA decision. WAC 365-196-415(2)(d) and 365-196-

320(4) provide more detailed guidance on conducting this analysis and reassessment – many options are available to address a situation where initial projected revenue falls short of initial estimated expenses.

Jurisdictions do not necessarily need to demonstrate adequate projected revenues to cover every capital facility need in years 7-20, however any gaps in funding should be discussed as well as options that might be taken to overcome the gap(s). This discussion could then lead to the policy to reassess the land use element if funding falls short of meeting the need for facilities that are determined to be necessary for development. WAC 365-196-415(d) provides examples of reassessment options.

Estimates used for funding sources for years 7 – 20 should be reasonable based on current conditions. They can include a combination of existing (or planned) taxes, impact fees, hookup charges, monthly rates, public sources, and others based on a realistic number of future rate payers (population) and other sources, to pay back the infrastructure investments. If bonds are anticipated, a debt repayment source should also be part of the defined financial plan.

4. ***Does the CFP need to clearly identify sources of public money for years 7-20? If so, is this to the same level of detail as in the six-year financing plan?***

   RCW 36.70A.070(3)(d) requires at least a six-year financing plan which must clearly identify sources of funding. This could have a financing plan for a longer period of time (theoretically, all the way up to a 20-year plan). However, this statute implies the 20-year plan is not required to go to the level of detail of listing all sources of public money. It remains required under part (e), though, to do a 20-year analysis of capital facilities needs and "probable funding".

5. ***Besides the time periods addressed, what is the difference between the 6-year financing plan required by RCW 36.70A.070(3) and the 20-year funding plan opined by the Growth Boards?***

   In addition to not requiring listing specific sources of public money as described in #4 above, the 20-year plan does not require the identification of specific projects, or their timing for construction, to be specifically identified. It is generally sufficient to estimate total expenditures needed for the projected needs for additional capital facilities, and total probable revenues to meet those expenses, without assigning specific revenues to each project. An approach utilizing the types of investments needed to address anticipated service levels gaps, along with estimates of likely sources to provide for those capital investments might be a good start if more detailed information for years 7-20 is not available.

However, where revenue sources are limited by law or policy to be spent only on certain types of facilities, care should be taken to address those requirements in the analysis of projected revenues.

Identifying Revenue Sources

Cities and counties need to identify the revenue sources that will be used to finance the capital facilities and public services. This includes the type of revenue sources (e.g. property tax, sales and use tax) and the amounts, and timing, of revenue expected. The revenue projections will be less precise in the later years of the planning horizon as the degree of certainty declines. Fiscal policies should be factored in as well, such as adopted policies about rate setting or growth in population and therefore the future rate payer base.[2]

A conversation about long term costs in light of the anticipated revenues is needed as there is almost always a gap that is a shortfall in needed funding. It is important to get the right stakeholders at the table and to identify what is expected of team members. For example planners, public works staff, police and fire, parks and recreation, and the finance staff should all be involved. This list should include staff for the departments with facilities or services that have been deemed necessary to support development.

Local governments have access to guidance on rate-setting and asset management, which may prove helpful. The Washington State Department of Health (DOH) has guidance for drinking water. DOH even has guidance for small systems that are not growing (Small Water System Management Program Guide). DOH encourages use of the Environmental Protection Agency's (EPAs) Asset Management: A Handbook for Small Water Systems guide. Additionally, EPA has a webpage dedicated to Asset Management for water systems.

Using currently untapped revenue sources

When considering a previously untapped source of revenue, the jurisdiction will need to estimate the amount of revenue it will generate, or its capacity. Total revenue in the most basic terms is the tax rate times the tax base. This generates the annual revenue as a set of recurring payments. Starting with this simple formula as a basis, the revenue model can begin including other policy considerations and complicating factors.

The taxable base of the revenue source can be subject to considerable volatility. For example, utility taxes can yield a relatively stable revenue stream because demand is not as volatile (such as a tax on electric utility or solid waste revenues). Utility revenues on the telecommunications sector, on the other hand, illustrate how a tax base can evolve over time. Other taxes rely on a more volatile tax base. Changes in the national or local economy can have a significant impact on the total revenue generated by taxes. Sales tax and real estate excise tax experienced dramatic increases during the past economic boom only to crash during the housing crisis. Volatility in the business cycle can be compounded because

[2] Fiscal policies are a great place to align the elected policy direction with the requirements of the GMA and the direction to staff.

several different sources of revenue are usually affected by economic swings and tend to rise and fall together.

Generally a new tax or fee will cause the total amount of the taxable item sold to fall by a certain amount. Elasticity is an economic term that refers to the way that increases or decreases in price affect the demand for the product. Generally adding costs, such as a new tax or increased tax rate will cause demand to fall by a certain amount. This reduction in demand will mean that the revenue generated by the new tax will be less than it would if demand remained the same as it was before the tax. The amount of potential revenue lost due to reduction in demand. It is difficult to estimate and varies based on the item on which a tax is imposed and even the initial starting price. However, it may be important to take the elasticity issue into account when estimating revenues.

The tax rate may be set as a percentage of the sales, or as a fixed amount per unit sold. Sales tax, utility tax, or real estate excise tax is an example of a tax as a percentage of sales. A vehicle license fee or the gas tax is a tax rate as a fixed amount per unit sold. The difference in revenue potential over time from these different ways to structure rates can be significant. If the tax rate is set as a fixed amount per unit, the purchasing power of that fixed amount will erode over time due to inflation. This is true of the gas tax. Regular increases in the tax rate will be needed to maintain its relative capacity. A tax rate as a percentage of the sales price will rise and fall with the price of the taxable item and more easily retain its purchasing power.

Economic Forecasting

A community's economy will generally rise and fall with the swings in the national business cycle, but each community experiences its own economic fortunes as well. A community or region may be growing rapidly, remain relatively stable, or be in decline. The comprehensive plan includes a 20-year population forecast that should form the basis for forecasts of future revenue and forecasts of future need. Each community sets its own 20-year growth target based on the population projections from the state's Office of Financial Management and the policies and process adopted in the Countywide Planning Policies.

It can be tempting to adopt a bullish growth forecast hoping that a community can grow into its existing obligations, while also keeping up with the demands for new facilities that come with this growth. Forecasts are risk management tools that help people understand and manage factors that are significant for making decisions, but beyond direct control. Every five years the OFM forecast for each county includes a high range, a low range, and a medium or "most likely" forecast. The further from the medium range the forecast goes, the more risk, either high-side or low-side, a jurisdiction chooses to accept. If you choose a low end estimate, the risk is greater that at the next periodic review, you will need to revise the plan to catch back up with the faster rate of growth. If you choose on the high end, the risk is greater that you over commit to new facilities and new obligations you ultimately do not need and cannot afford. The following are strategies you can use to help manage risks.

Conduct a sensitivity test of your assumptions. A first step is to identify how much changes in the core assumptions in the plan affect the ultimate outcome. This will identify which assumptions need close attention. If changes in variables outside of your assumptions do not significantly affect the future financial position, there is less need to pay close attention to them. If changes in variables have a significant effect, these are the key assumptions that need to be watched closely and managed aggressively (and that you may want to take extra case in setting in the first place).

One option is to adopt an adaptive management strategy. Adaptive management is a process of identifying key performance indicators and monitoring them over time. The capital facilities element requirements in the GMA require communities to periodically review their plan and, if funding is falling short, to reassess the land use element to maintain balance. This is a form of adaptive management and is one of the core functions of the periodic review. It assures that the community can use its land use tools to manage the demand for new capital facilities. We recommend using the budget process for this periodic review – it is a great time to "tune up" the capital facilities element of the budget.

Favor Reversible Decisions. Major capital facilities have a long lead time. Water and sewer plant capacity is very expensive. Land use decisions, especially those that affect patterns of property development and ownership, are essentially permanent and can outlast the physical infrastructure. A strong development-phasing strategy provides a way to prevent creating obligations to provide services before the financial feasibility of service provision is assured. Development phasing can enable incremental improvements that allow the projects to pace growth more directly, and potentially avoid overbuilding sooner than needed to accommodate growth.

Implementation Plan

Once there is an identified source of revenue in the financing plan, you will need to understand how you would implement collections of the new source of revenue. Although you do not need to adopt ordinances needed to tap revenue concurrent with your capital improvement plan, newly identified revenue sources do need to be within your statutory authority and you should develop an implementation plan to obtain this new revenue source. An implementation plan should address what ordinances or legislation will be necessary to authorize the revenue source, whether a public vote is needed, the timing of new revenue availability and any necessary additional technical documentation or program development. The implementation plan can then fold into the departmental work program so the community devotes the effort needed from each department to tap this source of revenue.

For example, there are a few ways to potentially increase water system income without raising rates. These include:

- Conduct an Audit:
  - Fix any errors in records
  - Check operation of meters

    - Bill all metered connections (no unmetered connections)
    - Repair/replace old meters
    - Preform leak detection
    - Prevent water theft
- Revise System Policies:
    - Increase connect/disconnect charges
    - Increase late payment charges
    - Enforce strict cutoff policies
    - Let your money make money (use interest bearing accounts, invest reserves)
    - Charge for extra services
    - Review your revenue base for changes in policy (e.g. free service to a special customer class or group for reasons that may no longer be relevant)
- Reduce Expenses:
    - Upgrade billing system
    - Preform and respond to an energy audit
    - Buy in bulk (cooperatively with another entity, when possible)
    - Regionalize service provision (e.g. regional fire authorities)

Types of Revenue

Although local governments have many different sources of revenue, they can be broken into a few general classes of revenue. Each class of revenue has common strengths and weaknesses. Things to consider for each revenue source include:

Capacity: the amount of revenue it can raise.

Flexibility: the variety of different projects it can be used for.

Predictability: how dependable the source is over time, considering the amount of control the community has over the source and its sensitivity to political and economic uncertainty.

Technical Difficulty: The amount of technical work needed to establish and maintain the revenue source including both initial setup and ongoing monitoring procedures.

General Taxes

General taxes are the most common revenue source for capital facilities. General taxes in Washington include the property tax, sales tax, utility tax, and real estate excise tax. It also includes some vehicle licensing fees. General taxes have high capacity, are flexible, and do not require their own ongoing monitoring procedures. However, they are also the source of funding for other municipal activities. Many of them, especially the property tax, are also in a state of structural decline; so many communities are struggling to find replacement sources of revenue.

User Fees and Rates

User fees are fees paid by consumers of a publicly provided good or service in exchange for the service a public facility provides. They include everything from the utility bill for sewer and water to the green fees paid at a municipal golf course.

Impact Fees and other Mitigation

The GMA allows local governments fully planning under the Act to collect impact fees. These fees can be used to help pay for facilities to serve new growth. GMA impact fees are fees required as a condition of development approval to pay for the public facilities needed to serve the development. Local governments can impose impact fees on applicants seeking approval for construction, expansion, or land use changes that create additional demand for public facilities.[3] The legislature does not allow local governments to fully recover the cost of system improvements from new development. Instead, impact fees must be balanced by other sources of public funds. The legislature also specified impact fees can only be imposed for the proportionate share of the costs of system improvements reasonably related to and reasonably beneficial to the new development.[4]

GMA impact fees differ significantly from previously existing funding mechanisms to address development impacts. Unlike mitigation payments under the State Environmental Policy Act or transportation impact fees assessed under the Local Transportation Act, GMA impact fees are not required to be calculated "by making individualized assessments of the new development's direct impact on each improvement planned in a service area."[5] So instead of being limited to collecting funds for project improvements planned and designed to provide service for a particular development project,[6] local governments can assess fees for area-wide system improvements within the community at large.[7] WSDOT provides a good discussion on impact fees and other mitigation fees in its guidance, "The GMA Concurrency Goal and the State Transportation System." One item of note is that there are limitations on how long impact fees can be retained by the government to provide for the related improvements – and sometimes it can take time to secure other sources. Be careful to set up a tracking mechanism to monitor your use and holding of these impact fees so you can conform to these limitations.

Debt and Reserves

Debt and Capital Reserves are both ways to move expenditures forward or backward in time, but they are not separate sources of revenue. Reserves accumulate from a revenue source. Debt requires a revenue source to service the loan plus interest. Either case still requires a revenue stream.

Communities have multiple funding sources available for capital facilities. However, many available funding sources come with limitations or strings attached. Some grant or loan

[3] RCW 82.02.090(1)
[4] RCW 82.02.050(3)
[5] The City of Olympia v. John Drebick et al., 75270-2, Supreme Court of Washington (January 19, 2006).
[6] RCW 82.02.090(6)
[7] RCW 82.02.090(9)

programs cannot be used to pay for new growth. Impact fees, SEPA mitigation, and other developer contributions can only be used for improvements related to the impacts of the project. Creating a financing package for an individual project of any size will often involve more than one funding source. Packaging the funding may be the most complicated part of some projects.

Funding sources also bring their own tracking and project management requirements. State or federal funding may come with requirements related to environmental review, prevailing wages, or contracting. Developer contributions may come with limitations on when the funds must be spent or what elements of the project may be included.

Rate Setting

For some services, such as provision of drinking water or treatment of wastewater, user rates are used to cover costs. Ideally rates pay for all of the costs – including operating and maintaining the system, replacing equipment, paying back debt, and adding new capacity (facilities) when needed. It is essential for the rates to be set so that they recover the full costs of the system. The revenues should meet or exceed the expenses generated by the system. That way a portion of the revenue can be placed into a reserve account for future improvements and unexpected emergencies.

Rates can also be used to encourage conservation. For example, some jurisdictions have a set rate for a certain amount of water but when a customer's use exceeds that amount, the price per unit increases.

The Rural Community Assistance Partnership has guidance to assist local governments with rate setting. Information is available from their Popular RCAP Resources for Small Communities webpage.

- Formulate Great Rates: The Guide to Conducting a Rate Study for a Water System
- Formulate Great Rates: A self-guided training to setting rates
- The Basics of Financial Management for Small-community Utilities

While many of the asset management or rate setting examples provided above are specific to a certain type of infrastructure, the concepts are generally transferrable to other facilities and services.

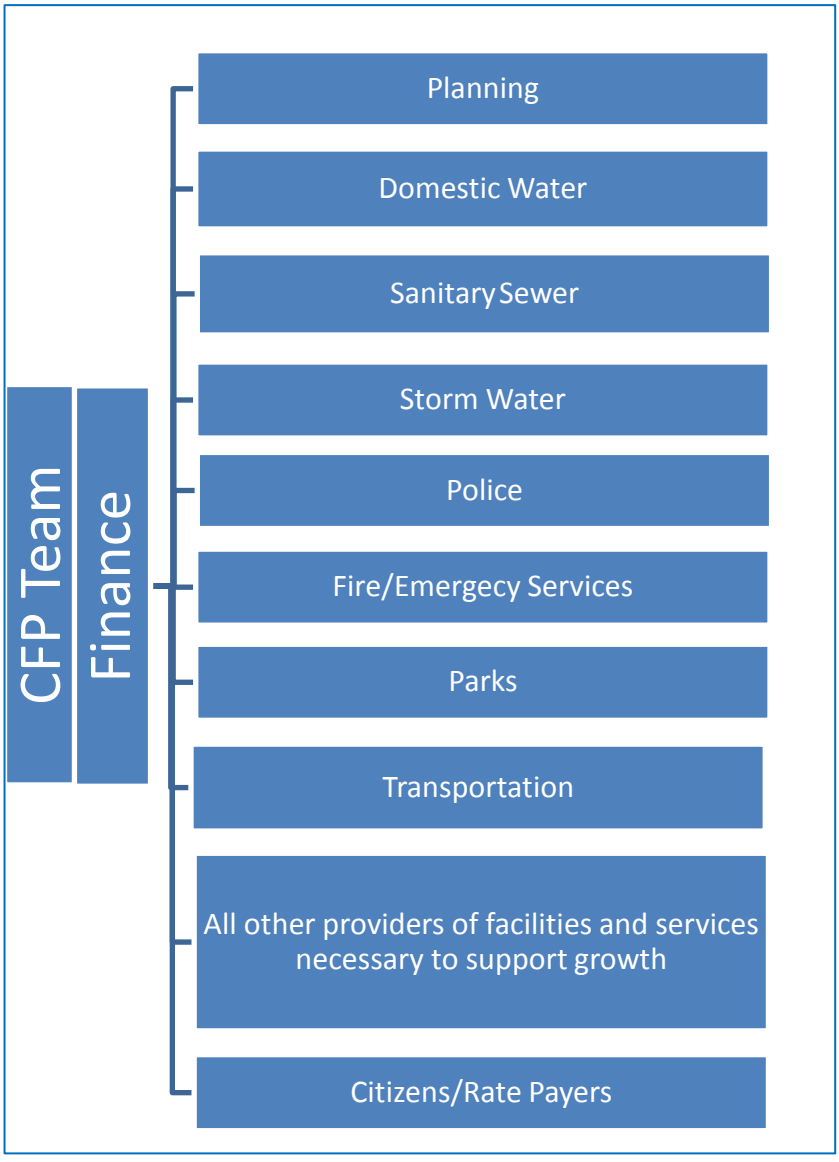
Financing Policies Regarding Capital Facilities

It may be useful to identify financing policies regarding capital facilities in writing to provide guidance to decision-makers over time but also to inform citizens of the general methods that will be used when making choices about when and how capital facilities will be budgeted. For example, each functional plan will likely identify the projects needed for the system the plan addresses (e.g. Water System Plans will include a list of system preservation and capacity improvements needed over the planning horizon). If the projects are not prioritized in the functional plan, how will that be done in the Capital Improvement Plan? How will the projects that don't have a specific funding source be funded? What criteria will

be used to prioritize projects? Will transportation projects take precedence over parks projects?

One challenge is that when the city or county considers its budget, the projects often get thrown together into a single pot. True, some funds are only dedicated for expenditures within a functional area, like rate-payer utilities. But for general funds (transportation; parks; civic buildings), and certain examples of utilities partnering with general funds (stormwater improvements / public open space), everything is up for grabs, competing for limited resources. H**ow does a city or county compare the project that ranked highest in the Parks category (based on Parks' LOS) with a project that ranked highest in the transportation category?** It's comparing apples to oranges, but when there are limited dollars available to fund all priority items, this is exactly what the elected body is challenged with in adopting the budget.

It is helpful for planners, engineers, and finance teams to start wrestling with these questions in the CFP planning process (see graphic). One benefit is that when the proposed budget works its way to the elected officials' desks it has had the benefit of being thoroughly vetted by subject matter experts across disciplines. It is even better if those experts have had those conversations knowing that it's not just about what projects are best for *their* subject matter, but which ones are best for the city/county as a whole over the life of the plan. It can be a difficult conversation because it asks people to step outside their area of interest and expertise. But it may make it so the hard decisions that must be made at budget time become easier, and ensure that they are the optimal investments in light of all facility and service needs. Ideally the result is a community-wide strategy that aligns the



comprehensive plan strategies with the financing plan that is clear and gains support from the political leaders as well as the community.

There are other reasons this is important as well. For example the political implications for a plan that is underfunded can be significant. Elected officials may have even greater difficulty in identifying additional revenues to fund the plan at a later date. Residents may then be resentful of any new taxes needed to fund the work if they were under the impression that such decisions had already been considered and adequately funded at a lower (but in reality unrealistic) rate. Additionally, an opportunity for an economic development opportunity may be delayed or lost if adequate plans and funding sources for needed facilities and services are not adequately identified and agreed upon upfront.

Scenario Planning and Fiscal Implication Models

Developing a clear understanding of the short- and long-term fiscal implications of development choices is important. The US EPA's Smart Growth Program explores the development and use of scenario planning and fiscal impact modeling, investigating the use of analytical tools to explain fiscal costs (including local infrastructure capital and operations and maintenance costs and revenues). Fiscal impact modeling is becoming more common as local governments work to assess financial implications of land use and growth patterns.

The models can help local governments identify both short and long term implications of land use decisions – both at the plan and project scale. Models can be used to help analyze and select future growth alternatives. More detailed analyses can be conducted to identify long term costs associated with a specific alternative. This may include both the broader economic impacts to the community as well as the fiscal impacts to the city or county for the provision of services.

Additional Resources

Municipal Research Services

Capital Facilities: http://www.mrsc.org/subjects/planning/capfacilities.aspx
Financing: https://www.mrsc.org/subjects/finance/finance.aspx
A Revenue Guide for Washington Counties:
http://www.mrsc.org/publications/countyrg10.pdf
A Revenue Guide for Washington Cities and Towns:
https://www.mrsc.org/publications/rgcity2009.pdf

Association of Washington Cities

GMA and Budget Decisions video:
http://www.youtube.com/watch?feature=player_embedded&v=1lT9koLi_8o
Budgeting for Cities and Towns in Washington State:
http://www.awcnet.org/Portals/0/Documents/Publications/budgetworkbook10web.pdf
Forming Successful Partnerships - A Guide for Local Government:
http://www.awcnet.org/Portals/0/Documents/Publications/budgetworkbook10web.pdf

Washington State Association of Counties - http://wacounties.org/wsac/index.php

Infrastructure Assistance Coordinating Council (IACC) - www.infrafunding.wa.gov
Infrastructure Assistance Searchable Database:
http://www.infrafunding.wa.gov/iadatabase.html

The Government Finance Officers Association (GFOA) has identified Best Practices for Economic Development and Capital Facilities. These are an excellent summary of opportunities to better link planning and budgeting. Some of the topics covered are:

- Building Resiliency into Capital Planning (2008)
- Capital Asset Assessment, Maintenance, and Replacement Policy (2007 and 2010)
- Capital Project Monitoring and Reporting (2007)
- Development of Capital Planning Policies (2011)
- Establishing an Effective Grants Policy (Budget and CEDCP) (2013) new
- Evaluating Data and Financial Assumptions in Development Proposals (2011)
- Incorporating a Capital Project Budget in the Budget Process (2007)
- Incorporating Environmentally Responsible Practices in the Capital Improvement Program (2010)
- Linking Economic Development and Capital Planning Strategies (2011)
- Multi-Year Capital Planning (2006)
- Presentation of the Capital Budget in Operating Budget Document (2008)
- Role of the Finance Director in Capital Asset Management (2011)
- The Role of Master Plans in Capital Improvement Planning (2008)
- Use of Technology in Capital Planning and Management (2011)
- Web Site Presentation of Official Financial Documents (2009)